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8 March 1958

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CENTRAL INTELLIGENCE BULLETIN



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8 MARCH 1958

I. THE COMMUNIST BLOC

Khrushchev still faces opposition on agricultural reorganization.

Bulgarian repeats call for early foreign ministers' conference.

USSR agrees conditionally to procedural discussion of disarmament by Security Council.

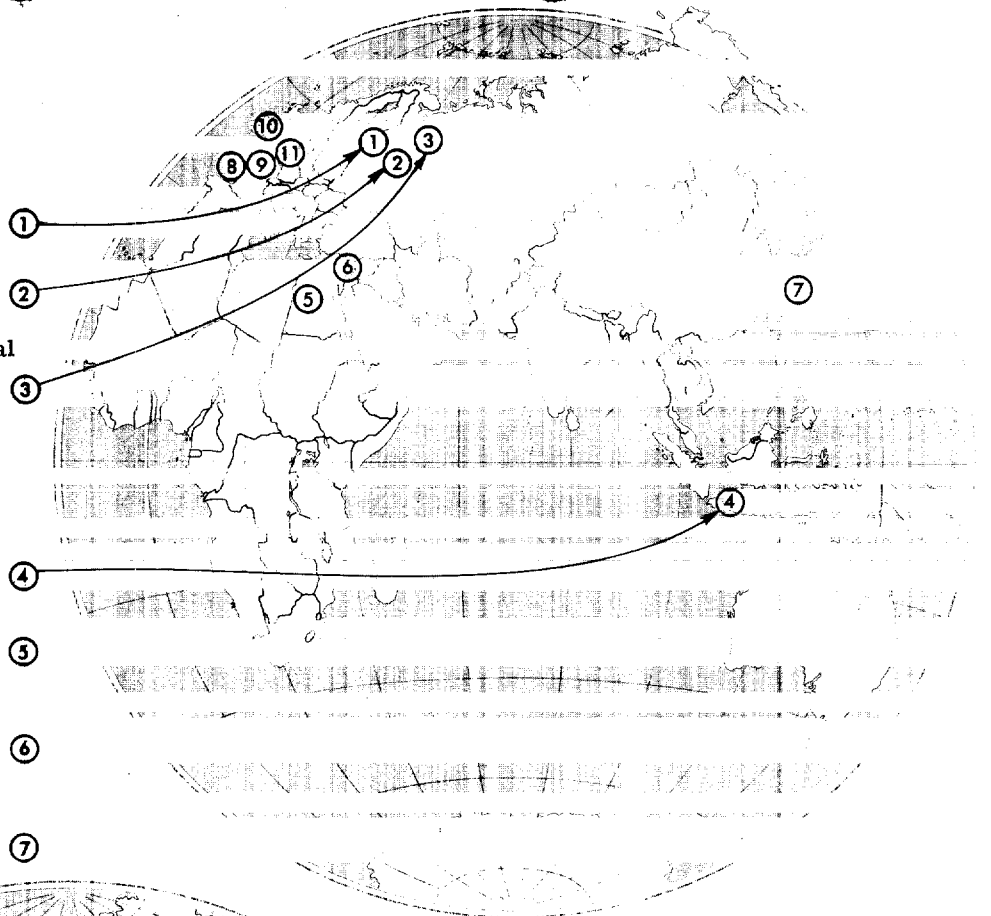
II. ASIA-AFRICA

Djakarta continues deployments for attack on dissidents; Sukarno-Hatta talks postponed.

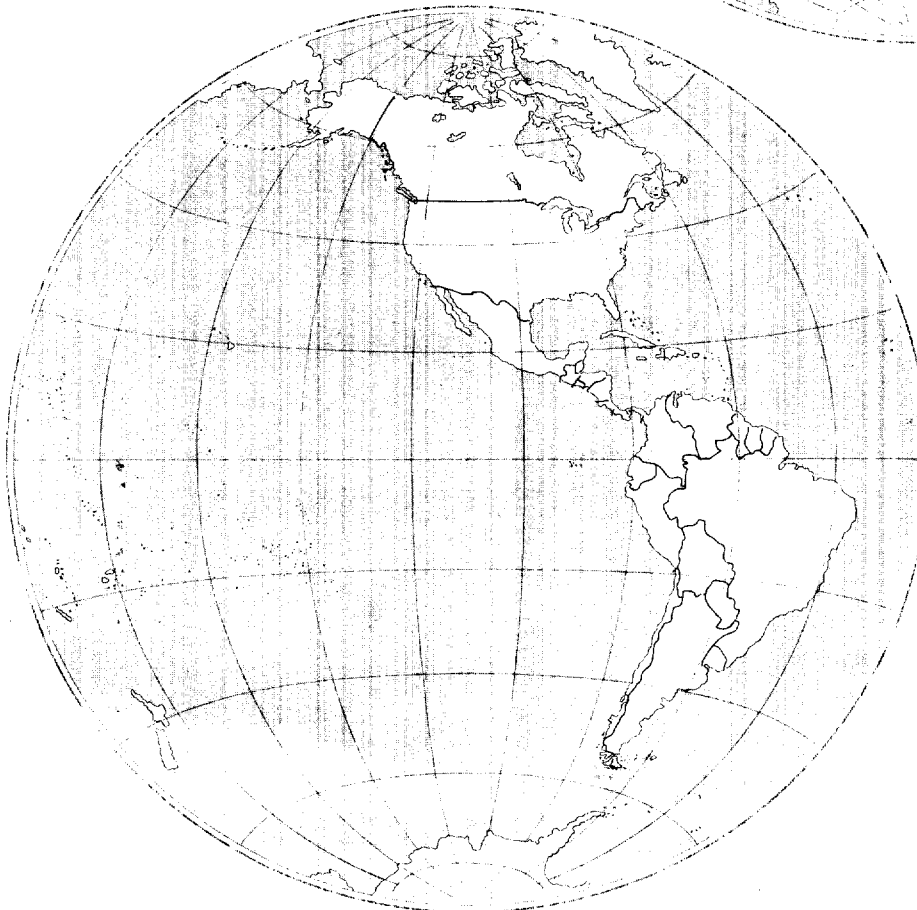
Egypt may plan build-up of forces on Sinai and Red Sea coast.

Lebanon - Chamoun's plan to seek re-election likely to precipitate serious disorder.

Okinawa - Leftists will probably make significant gains in 16 March legislative election.

**III. THE WEST**

- ⑧ France - Gaillard's proposal for Mediterranean pact hints some form of independent status for Algeria.
- ⑨ French decide "in principle" to undertake early reduction of forces in Morocco.
- ⑩ Announcement of Sandys' proposed visit to Moscow designed to meet British public demand for moves toward East-West detente.
- ⑪ West German leaders split on policy toward possible summit agenda.

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CENTRAL INTELLIGENCE BULLETIN

8 March 1958

DAILY BRIEF

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I. THE COMMUNIST BLOC

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* Soviet leadership: Khrushchev may have had as much as one third of the central committee against him last week when he presented his machine tractor station proposal. Despite approval of the plan, he faces opposition from conservative elements in the party and reportedly even members of his "own circle," who fear a setback to collectivization in the satellites. [redacted] (Page 1)

[redacted] * Summit talks--Bulganin reply: Premier Bulganin's call for an early foreign ministers' conference to arrange the agenda, composition, time and place of a summit meeting is aimed at increasing pressure on the West to drop its demands for substantive preparatory negotiations. [redacted] (Page 2)

no

Disarmament--Soviet view: After discussions with Soviet delegate Sobolev, UN Secretary General Hammarskjold believes that the USSR will conditionally accept the United States proposal for a Security Council procedural meeting to discuss means by which disarmament talks can be resumed. [redacted] (Page 3)

II. ASIA-AFRICA

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Indonesia: The Indonesian Government is continuing its efforts to get military forces ready for military

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operations against the dissidents. The Hatta-Sukarno talks have been postponed. [REDACTED]
(Page 4) (Map)

Egypt: Recent Egyptian military and naval movements suggest that Cairo is taking a more active interest in its eastern defenses on the Sinai Peninsula and the Red Sea coast. A gradual build-up of Egyptian strength in these areas would be a logical prelude to an Egyptian demand for the withdrawal of the UNEF forces which now patrol the Egyptian-Israeli border and are stationed at Sharm El Sheikh at the entrance to the Gulf of Aqaba. [REDACTED] (Page 5)
(Map)

Lebanon: Another period of political turmoil, accompanied by increased civil disturbances, appears to be in prospect. President Chamoun is convinced that he is the only pro-Western leader who can be successful in the presidential elections scheduled for midsummer, and the President's opponents, who are covertly supported by Egypt and Syria, have predicted an internal uprising if he runs. The Lebanese Parliament, which also elects the president, must first amend the constitution by the end of May to permit him to take this step. [REDACTED] (Page 6)

Okinawa: The extreme leftist party is expected to make significant gains, possibly winning as many as twelve seats, in the elections for the 29-seat Ryukyu Islands legislature on 16 March. It is improbable that any one of the three major parties, including the extreme leftists, will gain a majority. [REDACTED] (Page 7)

III. THE WEST

France - western Mediterranean pact: A definite weakening of France's long-standing position that Algeria

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DAILY BRIEF

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is an internal problem is implicit in Gaillard's statement on 7 March that he would soon make "concrete proposals" on a western Mediterranean pact in which the "new Algeria would have a natural place." Mediterranean pacts have been proposed earlier by Italy and Spain. Morocco and Tunisia have previously taken the position that they could not accept membership in any pact with France unless Algeria were independent. [redacted] (Page 8)

French policy on Morocco: Paris has decided "in principle" on an early major reduction in French ground forces in Morocco, both to reduce tension and to make them available for use in Algeria. Such a force reduction would probably come too late to regain much good will, particularly in view of France's continued insistence that any economic credits to Morocco are contingent on a guarantee of French interests there, including a status-of-forces agreement. [redacted] (Page 9)

no Britain: Defense Minister Sandys' projected visit to the Soviet Union later this year is designed by the Macmillan government to convince the British public that it is moving to relax East-West tensions. The government faces intense pressure, both from Labor and its own supporters, to speed negotiations for a nuclear disarmament agreement. [redacted] (Page 10)

OK West Germany: Sharp differences between Adenauer and his own party leaders over foreign policy are the real reason for postponing the major foreign policy debate scheduled for 12 March. Some elements within the Christian Democratic Union are seriously questioning the government's approach to unification, and one top party leader is supporting the inclusion of a German peace treaty, distinct from the unification issue, as a summit conference item--a position which the government has always rejected. [redacted] (Page 11)

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Opposition to Khrushchev Reported

Khrushchev failed to receive a strong central committee vote of confidence last week for his MTS proposal,

[redacted] Polish party leaders allegedly are attaching great importance to the vote since it indicates to them that there is serious opposition to Khrushchev within the Soviet hierarchy.

[redacted] the proposal has brought Khrushchev under strong attack by conservative elements within the leadership and that even members of his "own circle" are in opposition. The opponents are said to argue that the plan deviates from "Leninist principles" and will have a serious effect on collectivization programs throughout the bloc.

[redacted] hat Khrushchev is in a sufficiently strong position to achieve his aims.

Khrushchev has a considerable advantage in that the MTS proposal is on the books as having been approved by the central committee--a decision which in effect places any continuing opposition in the category of an antiparty action. In these circumstances, further resistance to the program may be confined to foot-dragging or sniping. Outright opposition to the plan would inevitably entail a direct challenge to Khrushchev's authority and an upheaval within the leadership. [redacted]

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Bulganin Letter Repeats Soviet Call for Early
Foreign Ministers' Conference

Premier Bulganin's reply to President Eisenhower's letter of 15 February continues the Soviet effort to focus the East-West exchange on procedural arrangements for a summit conference while seeking to discredit United States proposals for substantive preparatory negotiations to clarify the nature and purpose of such a conference. Bulganin took the line that since "agreement in principle" to hold a heads-of-government meeting has been reached, all that remains is to "concentrate our joint efforts on practical preparations." He said the failure of the United States to reply to Soviet proposals on summit preparations and its continued insistence on "obviously unacceptable issues" tend to delay a summit meeting.

Bulganin's letter contained two modifications in the position outlined in Gromyko's aide-memoire of 28 February which are designed to give the impression of Soviet flexibility on a foreign ministers' conference. It omitted both the proviso that this conference must be confined to the "organizational side" of summit preparations and the listing of countries which should participate. While it is possible that the USSR will eventually agree to a more restricted composition than it originally proposed, it is unlikely that the Soviet leaders will consent to substantive negotiations at the foreign ministers level. Soviet Ambassador Malik in London reminded Ambassador Whitney on 4 March that the USSR does not require the same composition for both a foreign ministers' and a summit conference, but he emphasized that the former should be confined to procedure.

The Soviet premier's letter suggests that the USSR may make further concessions on the composition of both conferences as a means of bringing pressure on the West to drop its demands for adequate substantive preparations for a summit conference.

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USSR Agrees to Security Council Procedural Session on Disarmament

[redacted] the USSR is agreeable to the US proposal for a Security Council procedural meeting to discuss means by which disarmament talks can be resumed, provided the council would not become the "future custodian of disarmament matters." [redacted] the prospects for a summit meeting might be torpedoed by the argument that the USSR had agreed to put and keep disarmament negotiations on the Security Council agenda. [redacted] the Soviet Union continues to object to a meeting of the Disarmament Commission.

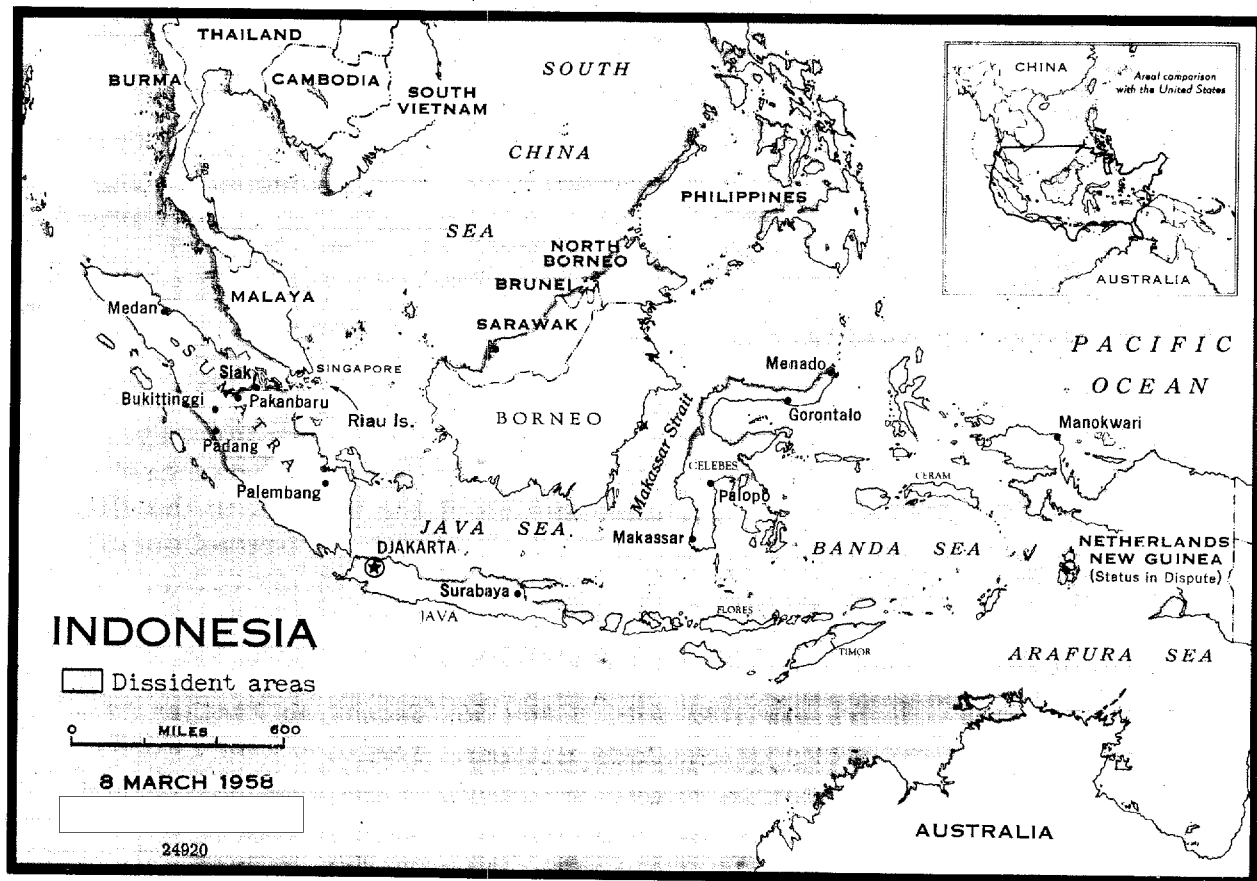
This is a reversal of Moscow's position on possible further UN talks on the disarmament issue. As late as 31 January, Sobolev told the Burmese delegation that "no useful purpose" would result from further discussions of the subject in the UN. The Soviet leaders have probably agreed to a Security Council meeting in order to avoid possible charges of inflexibility.

[redacted]

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II. ASIA-AFRICAIndonesia

The Indonesian Government is continuing preparations to deploy troops for an attack on Central Sumatra. Two battalions on Java have been alerted for probable assignment to the "combined operations command task force." A third battalion is scheduled for Sumatra, although apparently to replace a unit now in Medan.

The Indonesian destroyer Gadjah Mada, carrying troops, is said to have sailed from Djakarta for an undisclosed destination on 5 March, and other ships are reported to have loaded tanks and supplies there.

[redacted] an attacking force of three battalions plus a composite battalion of special troops is now in the Riau Islands. [redacted] military action of some type will occur even if a Sukarno-Hatta agreement is reached. The next meeting between Sukarno and Hatta, originally scheduled for 6 March, has again been postponed indefinitely.

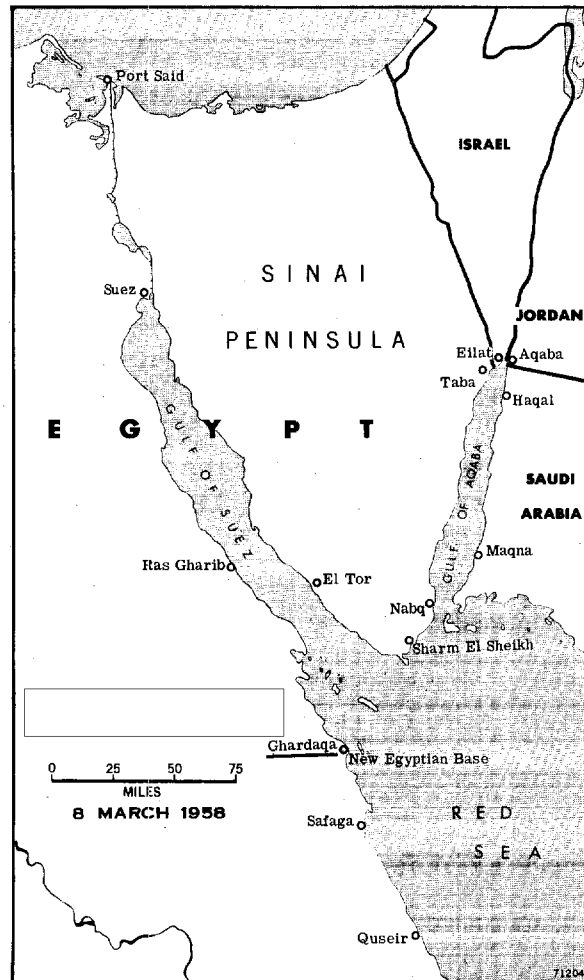
The air force chief of staff, meanwhile, issued orders on 7 March requisitioning commercial aircraft and drafting civilian aviation technicians into the air force. The orders said this action was taken in the interest of internal defense and for conducting "military work."

Foreign Minister Subandrio has told the American Embassy that Prime Minister Djuanda will advise on 8 March whether Americans should be evacuated from Pakanbaru. This suggests that the timing of Djakarta's operational plans may not yet be firm, or that Djakarta is trying to create a misleading impression.

Sukarno will make a one-day trip to Makassar in South Celebes on 12 March. The trip could be related to the central government's plans to mount an invasion of dissident North Celebes. This operation, however, apparently is running into some difficulty, owing to the refusal on 1 March of the Central Java commander to supply troops. [redacted]

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Egyptians Step up Military Activity in Sinai and Red Sea Area

Egyptian military and naval movements in recent weeks have placed renewed emphasis on the deployment of forces in the Sinai Peninsula and the Red Sea area. Egyptian army strength in Sinai was increased from 6,100 to about 10,000 late in February, [REDACTED]

[REDACTED] and additional forces will be deployed there later. [REDACTED]

[REDACTED] Forces of the Frontier Corps and the Palestine Army probably number another 2,300. Prior to the 1956 hostilities, Egyptian army strength in Sinai was 35,000.

[REDACTED] continuing development of the new military base at Ghardaqa, at the entrance to the Gulf of Suez and within operating distance of the entrance to the Gulf of Aqaba. During February, Egypt increased the number of motor torpedo boat squadrons south of the Suez Canal from two to four--a total of 12 to 15 boats. One of these squadrons has been sent to Ghardaqa. Two national guard battalions and a light antiaircraft battery have been detailed to guard the base, and some "secret work" is being undertaken there. A former British military airfield near Ghardaqa is now used by the Egyptian Air Force, although no operational air unit is known to be based there.

While Cairo's interests at this time would appear to be best served by continuing to accept the protective UNEF screen along the Egyptian-Israeli border and at the entrance to the Gulf of Aqaba, a gradual Egyptian build-up in these areas would logically precede any demand for withdrawal of UNEF. [REDACTED]

[REDACTED]
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~~TOP SECRET~~Lebanese President Will Seek Re-election

Lebanese President Chamoun has decided to seek re-election, according to the American ambassador in Beirut. He plans to obtain in May the constitutional amendment necessary to permit him to run again and he hopes to complete parliamentary action in one day to minimize the possibility that the opposition could block the move. The President believes he has the two-thirds parliamentary majority necessary for both the amendment and subsequent re-election.

His pro-Egyptian political opponents have predicted that Chamoun's candidacy will result in an internal uprising. When his plans become known, they will probably promote antigovernment demonstrations and terroristic actions. Nasir's United Arab Republic can be expected to increase its anti-Chamoun propaganda, as well as its subversive efforts within Lebanon. The critical factor in maintaining order will be the attitude of army commander General Shehab, who has been mentioned as a possible candidate, although he has indicated no political aspirations.

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Leftists Expected to Gain in Election of
Ryukyu Legislature

The extreme leftist Liaison Council for the Protection of Democracy (LCPD) is waging an aggressive campaign in preparation for the 16 March election of the Ryukyu Islands legislature. Observers expect the LCPD to win at least five and possibly as many as 12 seats in the 29-seat body. Formed following the ouster of the pro-Communist mayor of Naha, Okinawa, last November, the council has since made gains in two major elections in the capital city by camouflaging its Communist ties and championing popular issues such as reversion to Japan and opposition to US land acquisition and land compensation policies.

The conservative Democratic and moderate Socialist Masses parties, alarmed by leftist gains, are attempting to limit the number of candidates to avoid splitting the nonleftist vote. These efforts, however, are hampered by the breakdown of discipline in both parties.

No one of these three contesting parties is likely to win a majority. Consequently, support of policies of the American administration is likely to depend on the cooperation of independents and members of the Democratic and Socialist Masses parties.

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III. THE WEST

France - Western Mediterranean Pact

Premier Gaillard's statement on 7 March to the French National Assembly that he would soon make "concrete proposals" on a western Mediterranean pact in which "the new Algeria would have a natural place" is France's first public admission that it cannot settle the Algerian problem in a purely national context. Several days earlier the French UN permanent representative had expressed an interest in bringing the Algerian issue before NATO although he seemed to think that this might involve having both Tunisia and Morocco become members of NATO.

The idea of a western Mediterranean pact had previously been discussed by both Rome and Madrid but is only now being given official recognition by the French Government. The French proposal would call for membership by Italy, Spain, Morocco, Tunisia, and possibly by the United States, the United Kingdom, and Libya.

A regional pact of this nature could be a means of linking Spain, Morocco, and Tunisia to the North Atlantic alliance. However, Morocco and Tunisia have previously taken the position that they could not accept membership in any multilateral pact with France unless Algeria were independent and a partner.

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~~SECRET~~French Decision to Cut Ground Forces in Morocco

The French decision "in principle" to undertake an early reduction of ground forces in Morocco is cited by the French ambassador in Rabat as evidence that Premier Gaillard feels every possible step must be taken to maintain French-Moroccan relations "on an even keel." This is the first intimation that the government, in view of its deteriorating relations with Rabat, may have adopted the advice of General Petit, the French armed forces staff specialist on North African affairs, to reduce ground forces while retaining naval and air bases for training and for Moroccan air defense.

General Petit in January criticized the present French army commander in Morocco, General Cogny, for his "occupation" psychology, and suggested he be replaced. Budgetary considerations and the probability that many French army personnel now in Morocco will soon be needed in Algeria may also have influenced Paris' decision. France has an estimated 40,000 army, 10,000 air force, and 5,000 naval personnel in Morocco.

A major troop reduction would help France regain some of its declining good will among Moroccans. In view of the Istiqlal party's formal demand for evacuation of all foreign forces, however, it will probably come too late to make much difference, particularly since the French persist in linking further release of the economic credits they promised Rabat to negotiations for Moroccan guarantees of French interests.

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~~CONFIDENTIAL~~British Defense Minister Sandys to Visit Moscow

Defense Minister Sandys' acceptance of an invitation to visit Moscow reflects the British Government's efforts to deal with its serious public opinion problem. He will be the first member of the Macmillan government to visit the Soviet Union. The government has announced that he is unlikely to go for several months.

Intense public pressure is being brought to bear on the government to speed East-West negotiations for relaxation of international tensions by means of a nuclear disarmament agreement and "disengagement" in central Europe. The joint campaign launched by the Labor party and the trade unions on 6 March on these issues promises to maintain the pressure. A group of representative Conservative MP's told Ambassador Whitney on 5 March that the West was losing the cold war because it appeared to take an inflexible attitude, especially toward a summit meeting.

By having Sandys travel to Moscow the government presumably hopes to convince the British public that it is doing what it can to maintain personal contact with the Russians. At the same time London will hope that because Sandys has no direct foreign-policy responsibilities, Britain's allies will not consider his trip a break in the common front. [REDACTED]

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Confusion Over Foreign Policy Continues in Bonn

The postponement of West Germany's major foreign policy debate scheduled for 12 March reflects sharp differences between Chancellor Adenauer and Christian Democratic Union (CDU) Bundestag leaders. A group of CDU deputies has created confusion and uncertainty by beginning to question whether the government's continued adherence to the "policy of strength" can ever lead to unification. Bundestag President Gerstenmaier is proposing--in direct opposition to official policy--that a summit conference discuss a German peace treaty as an item not necessarily linked to unification.

Gerstenmaier also supported the "Strauss plan" for an extended nuclear-free zone, despite an official renunciation of the plan. The conflicting views already expressed by Gerstenmaier, Strauss, and press chief Eckardt have seriously embarrassed the government, and Adenauer is reported to be "furious" with Gerstenmaier for postponing the Bundestag debate without consulting him. While much of the controversy is concerned with tactics, these differences of opinion concerning unification policies could lead to a serious split in the Adenauer administration.

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